The City of Whitehorse

Yukon Territory, Canada

Annual Report
For the Year Ended
December 31, 2006

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CITY COUNCIL

Back row from left to right: Councillor Jan Stick
Councillor Dave Austin
Councillor Dave Stockdale
Councillor Florence Roberts

Front row from left to right: Councillor Doug Graham
Mayor Bev Buckway
Councillor Jeanine Myhre

THE CITY OF
WHITEHORSE
YUKON TERRITORY, CANADA

ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

Prepared by the Financial Services Department

Canadian Award for Financial Reporting

Presented to

The City of Whitehorse
Yukon

For its Annual
Financial Report
for the Year Ended

December 31, 2005

A Canadian Award for Financial Reporting
is presented by the Government of Finance Officers
Association of the United States and Canada
to municipalities whose annual financial reports
achieve the high program standards for Canadian
Government accounting and financial reporting.

President

Executive Director

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INTRODUCTORY SECTION

WHITEHORSE HISTORY

One hundred years ago, reckless adventurers fought their way down the Yukon River by boat on their voyage to the goldfields. Many struggled through the choppy and treacherous waters of Miles Canyon and the White Horse Rapids on the "Trail of 98".

Whitehorse is named after the historic rapids, which resembled the flowing manes of charging white horses. The White Horse Rapids became known as the greatest peril on the Trail of '98. The construction of the Whitehorse hydroelectric dam in 1958 tamed Miles Canyon and has replaced the once foaming White Horse Rapids with Schwatka Lake reservoir.

In 1897, two entrepreneurs capitalized on the obstacles presented by the Canyon and the Rapids by building tramways on either side of the river. For a fee, their horse-drawn tram cars carried goods and small boats around the rapids on log rails. A tent town called Canyon City appeared at the head of the tramway on the east bank. A roadhouse and saloon provided lodging and refreshments to the tens of thousands of gold seekers on their way to the Klondike. Before the Gold Rush, this area was a First Nations' campsite. In 1900, construction of the White Pass & Yukon railway from Skagway to a point past the rapids was completed and Whitehorse came into being at its railhead.

For years, Whitehorse continued its role connecting rail service with riverboat traffic to Dawson. In 1920, the first plane landed. In 1942, thousands of American Army personnel arrived to build the Alaska Highway. In a record breaking 8 months and 23 days, 1534 miles of highway were laid down. The boom ceased by the end of the war, but Whitehorse had become an important centre of communications and transportation. Whitehorse was incorporated as a City in 1950 and in 1953 the capital of the Yukon was transferred from Dawson City to Whitehorse.

Whitehorse

MESSAGE FROM THE MAYOR

2121 Second Avenue, Whitehorse, Yukon, Y1A 1C2
phone (867) 668-8626 fax (867)668-8639
bev.buckway@whitehorse.ca

It is my pleasure to present the 2006 Annual Report to the citizens of Whitehorse. Within this report your will find information on the major accomplishments of Council over the past year. It is with considerable optimism that we look forward to 2007.

The past year represented the third and final under this Council's mandate year of our efforts to implement elements within the 2003 Strategic Plan. It was also a year that saw considerable change occur in our community as a result of new growth and a very healthy economy.

Throughout 2006 our community continued to grow with a population increase of approximately 2% over 2005 reaching a population of 24,151 by the end of the year. The unemployment rate continued to decline reaching a low of 2.5% in December. With continued investment in mineral exploration and the mining sector and continued growth in the residential housing market, the outlook for the coming year is very positive indeed.

No Council ever experiences a year without challenges and 2006 was no exception. The Municipal election of October 2006 saw the return of four incumbent councilors plus two new councillors. The Mayor's chair also changed hands and I look forward to the opportunity to serve our community.

Preparations for the Canada Winter Games occupied a considerable amount of time in the latter stages of the year. This is the first time this event will be held North of 60 and is a tremendous undertaking for our community. Both Council and I are very excited about hosting the games.

Council will be embarking on a new journey in 2007 with the development of a Community Integrated Community Sustainability Plan and Strategic Plan. The Community Integrated Sustainability Plan is designed to take a long term view of where the City of Whitehorse would like to be in 50 years while the strategic plan will chart the course more specifically in a shorter 7 year time frame.

Your Council is privileged to have the honour of serving the citizens of Whitehorse over the next three years and is looking forward to 2007. We are approachable and always open to comments, suggestions and encourage the participation of citizens on municipal issues. Together we will make Whitehorse one of the best places to live work and play.

Sincerely,

Bev Buckway, Mayor

May 2007

CITY OF WHITEHORSE

2006 ANNUAL REPORT

Mayor and Council
City of Whitehorse
2121 second Avenue
Whitehorse, Yukon
Y1A 1C2

June 6, 2007

Re: LETTER OF TRANSMITTAL

It is my pleasure to present Council with this 2006 Annual Report. It is the administrative responsibility of the Senior Management Team to provide those services identified by Council at an appropriate and acceptable standard. Our success in doing so is directly linked to the unceasing efforts, skills and dedication of our employees. Our people really do make the difference. I would like to extend my sincere appreciation for their support throughout 2006.

Implementation of Council's direction requires the attention of our human as well as financial resources. The City of Whitehorse has experienced steady growth over the past few years which has placed increasing demands on the current level of resources available to carryout the direction of City Council. The efforts of the staff on a City wide basis have maintained the level of service sought by Council.

The City of Whitehorse continues to enjoy a very favourable debt ratio, and we have healthy financial reserves. The City of Whitehorse will be the recipient of significant capital funding from the Canada Yukon Gas Tax Agreement. This agreement, originally signed for five years has been extended to 2014. The challenge for City Council is to determine the most beneficial manner in which to allocate these resources over the coming years.

The following are among the significant issues and projects that were initiated or continued in 2006.

2007 Canada Winter Games: The later half of the year was one where a considerable amount of time and effort was put into getting ready to host the Canada Winter Games, set for February 23 to March 10, 2007. This effort ranks as the single biggest event ever hosted by the City of Whitehorse. The entire City staff is involved in some capacity and all have stepped up in ways

too numerous to mention. We look forward to this event with great anticipation.

Canada Games Centre: Operating this facility presented a new challenge for the City of Whitehorse. With only one year of operation behind us we have only just begun to identify the opportunities for the promotion of community health, wellness, and recreation the Canada Games Centre provides.

Citizen Survey: The City of Whitehorse undertakes a City wide survey of residents every second year. In 2006, this survey revealed some very interesting results. In general the Citizens of Whitehorse report that they are generally quite satisfied with the manner in which the City conducts business and with the level of services provided. The survey reached 473 households, and is considered to be statistically accurate. Over 90% reported that our staff is approachable and easy to talk to, and that the service received was rated good to excellent. In terms of public consultation, over two thirds of our citizens said the City was doing a good job of informing and consulting on City initiatives. The full results are published on the City of Whitehorse web site.

Waterfront Development: During 2006, considerable work was completed on the installation of municipal services along First Avenue between Main Street and Ogilvie Street. Installation of the services will lead to the development of a mixed use commercial / residential area in the waterfront area.

Future Residential Development: The City undertook a very ambitious planning charrette process for the Porter Creek Bench area in the fall of 2006. This was a week long effort that resulted in a conceptual plan that was adopted by Council. The most interesting aspect of the project was the process followed which brought together over 70 citizens and professionals who worked through numerous issues in arriving at a plan that satisfied those participating as well as the community at large. The success of this approach has resulted in a similar process being adopted into the planning process as a critical step towards development.

Transit: During 2006, administration continued to work towards implementing the recommendations of the Transit Task Force adopted by Council. The City also received funding from the Canada Transit Fund which combined with the budget allocation allowed for the purchase of four new buses which were received in December. The new buses are of a low floor design, and are fully accessible making the transit service available to citizens with mobility problems.

Work will commence on the Community Sustainability Plan as required under the Gas Tax Funding agreement and on the next generation of the Strategic Plan. These planning efforts will set the course for the future growth and development of the City of Whitehorse. With a healthy economy and greater assurance of future capital funding, the City of Whitehorse is at a very exciting point in its growth and development.

Administration wishes to thank our Council and the citizens of Whitehorse for the honour of serving you over the past year.

Dennis Shewfelt, MCIP
City Manager

TREASURER'S REPORT

In accordance with the Yukon *Municipal Act*, the City of Whitehorse prepares annual financial statements that consolidate all of the operations for which the City is responsible. The Consolidated Financial Statements show the state of the City's finances at the end of each year.

The financial statements are prepared by administration in accordance with Generally Accepted Accounting Principles (GAAP) as set by the Canadian Institute of Chartered Accountant's Public Sector Accounting Board (PSAB). To ensure that the statements are in compliance, they are subjected to external audit by an independent auditor.

The Consolidated Financial Statements encompass the following individual statements:

Consolidated Statement of Financial Position – provides a summary of the City's financial and physical assets and liabilities.

Consolidated Statement of Financial Activities – provides a summary of funds raised by the City and the use of such funds during the year.

Consolidated Statement of Investment in Non-Financial Assets – shows how the changes in physical assets occurred through the purchase and disposition of assets and the reduction of long term debt.

Consolidated Statement of Reserve Funds – reconciles the changes in reserve balances based on sources of funding and types of expenditure.

Consolidated Statement of Cash Flow – summarizes how the City's cash position changed during the year by highlighting the sources and uses of cash.

Also included are Notes to the Financial Statements which provide further detail about the City's financial results and are an integral part of the statements.

2006 Highlights

- The City collected revenues of $47.0 million and spent $45 million for a net surplus before debt of $2 million.
- As a result, the City's net financial assets increased from $14.4 million to $16.4 million.
- Cash and investments decreased by $6 million to a total of $12.5 million.
- Long term debt decreased by $775,000 to $4.1 million at the end of the year.
- The net investment in non-financial assets for the year was $9.7 million.

Analysis

Total revenues were under budget estimates by $2.3 million due primarily to Government Grants being lower than budgeted. Primarily, Selkirk Well development at $1.4 million that was not undertaken as it was budgeted to be funded from Gas Tax; however, this allocation of funding has not received Council assent. Also, Canadian Strategic Infrastructure funding for $1 million was not received as the Shipyards Park Building project was not undertaken.

General government expenditures include the department costs of Council, City Manager, Administrative Services, Financial Services, Information Systems, Human Resources, Engineering, risk management and legal costs. The principal reason for 2006 actuals being over budget was offsetting reserve transfers, for example for unbudgeted funding received for the Strategic Sustainability Plan.

Protective services include the cost of building inspection, fire protection, bylaw enforcement and animal control.

Transportation services costs, which include fleet maintenance, roads, streets, walks and lighting and transit services, were over budget estimates due to higher than expected bus operating costs (but not driver costs) and snow and ice control.

Environmental services include water and sewer services and solid waste management functions both of which by policy are self funded through user fees.

Community development services include the department costs of planning and development and tourism.

Recreation and cultural service costs which include Recreation facilities, parks, playgrounds and leisure programs, were over budget due mainly, in the end, to higher than expected electrical costs at the Canada Games Centre. This was after Canada Games Centre budget amendments through the year.

Comparison to the prior year

Net revenues in 2006, excluding government grants, higher than expected results in tax revenues were due to new assessable properties, higher than expected investment returns and building permits receipts and Development Cost Charge revenue, which was all offset by lower than budgeted facility revenue.

Expenditures, excluding capital, increased by $2.5 million or 9.1% in 2006. Overall, this increase can be attributed to unexpected reserve transfers and certain legal settlements along with the variances explained previously

Significant trends

Financial Activities - Operating	Average Annual Increase	2006	2005	2004	2003
Revenues (excluding grants)	6.05%	$ 32,837,959	$ 31,328,294	$ 29,224,944	$ 27,535,610
Expenses (excluding capital)	6.16%	30,520,219	27,966,346	26,321,201	25,531,021
Net		$ 2,317,740	$ 3,361,948	$ 2,903,743	$ 2,004,589

The net amount above reflects the level of funding the City contributes to capital and/or reserve funds from its own resources.

Revenues	Average Annual Increase	2006	2005	2004	2003
Property taxes	3.31%	$ 20,006,403	$ 19,353,947	$ 18,684,661	$ 18,141,968
User fees	9.23%	9,026,316	7,927,755	7,370,143	6,934,932
Other	16.87%	3,805,240	4,046,592	3,170,140	2,458,710
Total		$ 32,837,959	$ 31,328,294	$ 29,224,944	$ 27,535,610

Financial Position	Average Annual Increase	2006	2005	2004	2003
Financial Assets	8.04%	$ 26,238,207	$ 25,430,029	$ 26,196,322	$ 21,150,906
Financial Liabilities	-3.77%	9,776,782	11,044,842	13,098,295	11,307,354
Net Assets		$ 16,461,425	$ 14,385,187	$ 13,098,027	$ 9,843,552

Additional information on the City's obligations can be found in the notes to the financial statements. The City has a Debt Management policy which establishes conditions for the use of debt, created procedures that define the level of debt to be included in rates and minimize the City's debt servicing costs.

Reserves	Average Annual Increase	2006	2005	2004	2003
	6.37%	$20,812,321	$19,429,557	$19,862,344	$17,398,185

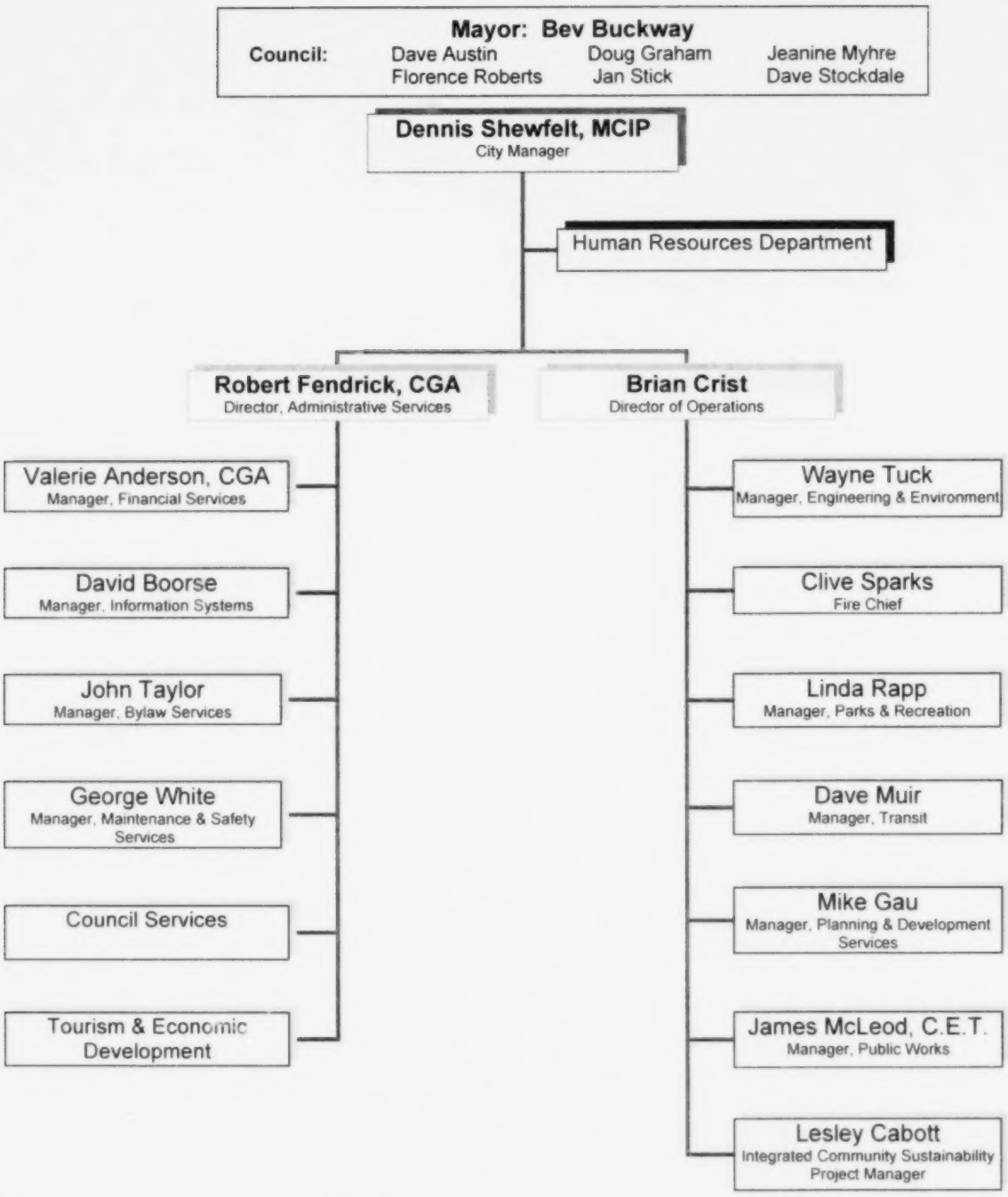
The City's reserves are generally used to fund a portion of the City's capital program and occasionally stabilize minor expenditure and revenue variances from one year to the next.

Summary

The City of Whitehorse continues to maintain its strong financial position by maintaining an adequate level of reserves; however, forced growth from inflation pressures and population increases have required the City to increase taxes and user fees. Future anticipated growth of Whitehorse will have to be balanced carefully with the resulting assessment-related revenues and the demands pushing costs.

Director of Administrative Services

CITY OF WHITEHORSE
ORGANIZATIONAL CHART



CITY, COUNCIL, & BOARD INFORMATION

MUNICIPAL AUDITORS
BDO Dunwoody LLP

CITY SOLICITORS
Lackowicz Shier & Hoffman
Barristers & Solicitor

CITY FINANCIAL INSTITUTION
Royal Bank of Canada

DEPUTY MAYOR APPOINTMENTS

Councillor Dave Stockdale	October 31 to December 31, 2006
Councillor Jan Stick	January 1 to February 28, 2007
Councillor Jeanine Myhre	March 1 to April 30, 2007
Councillor Dave Austin	May 1 to June 30, 2007
Councillor Doug Graham	July 1 to August 31, 2007
Councillor Florence Roberts	September 1 to October 31, 2007

STANDING COMMITTEE CHAIR & DEPUTY CHAIR APPOINTMENTS

Committee	Chair	Deputy Chair
Administrative Services	Councillor Myhre	Councillor Graham
City Operations	Councillor Austin	Councillor Stick
City Planning	Councillor Graham	Councillor Roberts
Community Services	Councillor Stick	Councillor Stockdale
Public Health & Safety	Councillor Roberts	Councillor Austin
Tourism & Economic Development	Councillor Stockdale	Councillor Myhre

COUNCIL APPOINTMENTS TO AD HOC COMMITTEES

Association of Yukon Communities	Councillor Myhre, Councillor Stick
Budget Committee	Mayor and Council
Canada Winter Games Host Society	Mayor Buckway, Councillor Austin, Councillor Stick
City Manager Evaluation	Mayor and Council
Crime Prevention Yukon	Councillor Roberts
Emergency Measures Commission	Mayor Buckway, Councillor Stockdale
Persons with Disabilities Advisory	Councillor Myhre
Tourism Industry Association of Yukon	Councillor Stockdale
Whitehorse Chamber of Commerce	Mayor Buckway
Whitehorse Housing Authority	Mayor Buckway
Whitehorse Policing Advisory	Councillor Austin
Yukon Convention Bureau	Councillor Myhre
Yukon Regional Round Table	Councillor Stockdale

MUNICIPAL ADMINISTRATION

City Manager

⇒ **Human Resources**
The Human Resources department enhances the effectiveness of City of Whitehorse employees by facilitating recruitments, organizational and staff relations advice, and training/developmental opportunities.

Administrative Services Division

⇒ **Bylaw Services**
The focus of Bylaw Services is to provide quality customer service to the citizens of Whitehorse and to use an educational approach to resolving infractions against City bylaws.

⇒ **Council Services**
Council Services provides a communication link between the citizens of Whitehorse and their City Council. The department is responsible for preparing and preserving records of the official business of the corporation, including bylaws, minutes of Council and Committee meetings and policies.

Council Services also helps ensure strong communication between Council and departmental staff by coordinating the flow of information presented at and arising from Council and Committee meetings.

⇒ **Economic Development & Tourism**
The City of Whitehorse Tourism Department markets Whitehorse as a visitor destination to both the prospective visitor and the tour and travel operators that sell destinations in packages. The department provides updated information for publications, buys advertising, and attends and organizes trade shows for the Travel Trade. The department also works with the Travel Media. The department is a point of contact within the City for Event organizers, non-profit organizations, and owner operators within the Tourism Sector who need the aid of the City in various projects. The Tourism Department also acts in an advisory capacity for the Tourism Industry Association. This department is the first point of contact for potential developers, investors and research departments interested in investing, opening or expanding businesses in Whitehorse.

⇒ **Financial Services**
The Financial Services Department provides financial reporting and control services, upholds the fiduciary responsibility to manage assets of the City, and provides guidance for maintaining the overall financial stability of the municipality. Specific functions include the preparation and monitoring of the operating and capital budgets; levying and collecting property taxes and utility rates; administration of payroll; processing of accounts payable and accounts receivable; providing purchasing assistance; development and maintenance of financial systems; financial reporting including financial statements; investing and safeguarding of financial assets, and managing the insurance needs of the City. A staff of 14 full time persons is responsible for these functions.

⇒ **Information Systems**
The Information Systems budget funds 7 full time staff and the necessary operating resources to maintain the City's computer infrastructure. Information Systems support

other departments in their efforts to provide efficient and effective services to citizens, and contribute to transportation systems, water treatment systems, financial systems, and other community systems.
Maintaining a smoothly operating computer infrastructure allows the City to make the best use of its human resources by improving internal communication and cooperation.

⇒ **Maintenance and Safety**
This department is comprised of eighteen staff members and four separate programs:

1) Administration- provides administrative and clerical support for the department, equipment acquisition, construction project management and vehicle disposal for the corporation.
2) Building Maintenance - provides maintenance, service, repairs, and renovation services to the City's building assets.
3) Equipment Maintenance- provides maintenance, service, repairs and legislated vehicle inspection services for the City's fleet of vehicles and equipment
4) Safety & Emergency Services - provides and facilitates necessary safety and EMO training, safety inspection services, and assistance in emergency preparedness.

Operations Division

⇒ **Engineering & Environmental Services**
The Engineering Department facilitates the planning, design, and construction of the city's infrastructure including roads, water, sanitary and storm sewer projects as well as parks, street lighting, traffic signals, and environmental works.
The Environmental Department provides guidance and expertise on environmental issues and manages environment-related programs and projects that preserve, protect, and rehabilitate our environment.

⇒ **Fire**
The Fire Department provides Fire Suppression and Rescue services to the citizens of Whitehorse. The Department also provides auto extrication services both within the City and in the surrounding area. Confined space, low angle and high angle rope rescue round out the emergency response services offered. The Department operates a Training Centre that allows Department staff to receive Justice Institute of BC accredited training in firefighting and rescue skills.

The Fire Department is also heavily involved in Fire Prevention by having the on-duty crews inspect all hotels, motels, apartment buildings, and stand alone restaurants. The Fire Prevention Officer inspects other commercial and assembly buildings and reviews plans for new commercial buildings to ensure code compliance. Several members of the Department are involved with the Juvenile Fire Setter Intervention Program which works with youth to reduce the number of deliberately set fires that occur.

Continued reduction of the risk of damage due to wild fires is accomplished through the FireSmart Program each year. The Department works with various Community Associations within the City to apply for funding from the Government of Yukon to reduce the fuel (trees) in the area surrounding each subdivision.

⇒ **Parks and Recreation**
The Parks and Recreation Department provides a variety of programs and services related to the provision of parks and green spaces, recreation programs, facilities, and events.

The Department consists of 105 full-time, permanent part-time, temporary, and casual employees who operate and maintain the Canada Games Centre, Takhini Arena, the Grey Mountain Room and kitchen at Mt. McIntyre Recreation Centre, approximately 33 neighbourhood outdoor rinks, two cemeteries, 7,333 hectares of greenbelts, numerous trails and neighbourhood parks, leisure programs, and special events. The department also provides support to community clubs and organizations with the development of their programs, facilities, and events.

The Parks and Recreation Department strives to ensure that the citizens of Whitehorse have opportunities for personal growth, physical fitness, environmental stewardship, community involvement, creativity, and self-expression in their leisure time. The Department aims to set standards in these areas, and ensures the service delivery is of high quality, reasonably priced, and reflects the needs and interests of the community.

⇒ **Planning & Development Services**

Planning & Development Services carries out long range planning in consultation with the community within which the associated land use applications such as development and building permits are issued and inspections are performed.

The department ensures a consistent application of the City's Official Community Plan, Zoning Bylaw, policies, and other legislation in order to protect the natural and developed areas of the City. The Planning and Development Services Department is responsible for riverfront planning and development, habitat protection, and heritage programs. This department coordinates and manages City-owned land in order to increase the financial return to the City, and to expand the City-owned land base to assist in the planned growth and development of the City.

The department reviews all building projects in the City and approves and issues development and building permits in accordance with National Building Code and City bylaws.

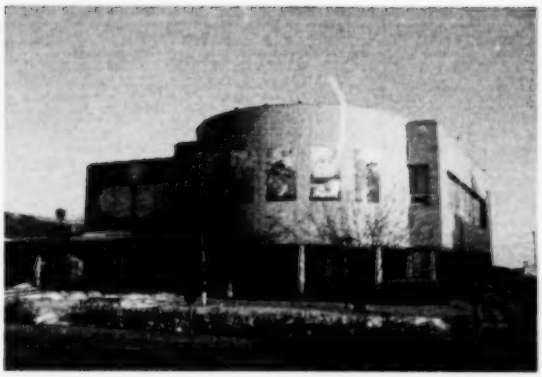
⇒ **Public Works**

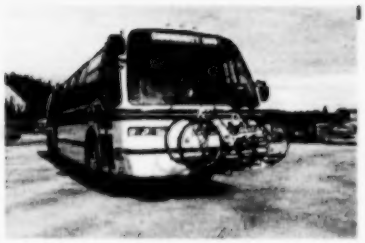
The Department of Public Works consists of 51 permanent staff and 16 casual staff. The department has 2 general areas of expertise, Utilities and Transportation.
The Utilities area is responsible for the operations and maintenance of the City's water and sewer systems.
The Transportation area is responsible for the maintenance of paved and unpaved roads within City limits including snow and ice control, maintaining traffic lights and signs, line painting, garbage collection, and administration of the Landfill Contracts. Other programs handled by the department include insect control, and street lighting. Public Works assists other departments, and plays an important role in special city events.

⇒ **Transit**

The City of Whitehorse endeavours to provide a safe, reliable, cost-effective, and responsive transit service that supports the social, economic, and environmental well being of the customers they serve. Whitehorse Transit also provides a Handy-Bus service, which is a special door-to-door service for persons unable to use the conventional transit system due to temporary or permanent physical and/or cognitive disabilities.

WHITEHORSE





FINANCIAL SECTION

MANAGEMENT'S REPORT

The Management of the City of Whitehorse is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. Management, in accordance with Canadian generally accepted accounting principles for municipalities, has prepared the consolidated financial statements. The preparation of the consolidated financial statements necessarily includes some amounts based on the best estimates and judgments of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that the integrity of financial records is maintained.

BDO Dunwoody LLP has audited the consolidated financial statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion of the consolidated financial statements, follows.

Dennis Shewfelt
City Manager

Robert Fendrick, B. Comm., MPA, CGA
Director of Administrative Services

May 12, 2007

BDO Dunwoody LLP
Chartered Accountants

600 – 925 West Georgia St.
Vancouver, B.C. V6C 3L2
T (604) 688-5421 F (604) 688-5132

201 - 3059 3rd Avenue
Whitehorse, Yukon, Y1A 1E2
T (867) 667-7907 F (867) 668-3087

AUDITORS' REPORT

Mayor and Council of the
City of Whitehorse:

We have audited the Consolidated Statement of Financial Position of the City of Whitehorse as at December 31, 2006, and the Consolidated Statements of Financial Activities, Investment in Non-Financial Assets, Reserve Funds and Cash Flow for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the City of Whitehorse as at December 31, 2006 and the results of its financial activities and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Whitehorse, Yukon

April 20, 2007

CHARTERED ACCOUNTANTS

CITY OF WHITEHORSE

Consolidated Statement of Financial Position

as at December 31, 2006

	2006	2005
Financial assets		
Cash	1,075,376	247,044
Investments (Note 1)	11,480,140	18,208,626
Accounts receivable	4,047,945	3,065,200
Grants receivable		
Government of Canada	28,667	541,287
Government of Yukon	2,395,692	3,321,288
Other due from government		
Government of Canada	6,000	-
Government of Yukon	6,259,450	-
Kwanlin Dun First Nation	894,846	-
Other financial assets	50,090	46,584
Total financial assets	26,238,207	25,430,029
Liabilities		
Accounts payable	3,695,404	4,319,511
Employee future benefits (Note 10)	1,023,597	836,962
Landfill closure & post closure liability (Note 9)	87,554	77,935
Deferred revenue	548,672	601,670
Deposits	133,710	55,060
Long term debt (Note 2)	4,106,606	4,881,847
Other long term payables	181,238	271,857
Total liabilities	9,776,782	11,044,842
Net financial assets	**16,461,425**	**14,385,187**
Non-financial assets		
Inventory	289,443	250,736
Property and Equipment	248,824,297	240,000,564
Total non-financial assets	249,113,740	240,251,300
Accumulated surplus	**265,575,165**	**254,636,487**
Financial position		
Operating surplus	45,153	88,213
Reserves for future expenditures (Statement 4)	20,812,321	19,429,557
Add: Recoverable reserve	181,238	271,857
Less: Inventory	(289,443)	(250,736)
Net financial equity	20,749,269	19,538,891
Investment in non-financial assets	244,825,896	235,097,596
Total financial position	**265,575,165**	**254,636,487**

Approved by:

Robert Fendrick, CGA
Director of Administrative Services

Bev Buckway
Mayor

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE
Consolidated Statement of Financial Activities
year ended December 31, 2006

	2006 Actual	2006 Budget	2005 Actual
Revenues			
Taxes and payments in lieu of taxes	20,006,403	20,020,300	19,353,947
Government grants	14,328,598	17,635,500	16,692,698
Sales of goods and services	9,026,316	8,867,900	7,927,755
Licenses, permits, penalties and fines	1,479,857	1,189,600	1,335,159
Developers' contributions	1,250,725	1,097,000	589,945
Investment income	828,711	512,000	599,813
Other revenues	245,948	175,000	1,521,675
	47,166,557	49,497,300	48,020,992
Expenses			
General government services	6,877,555	6,135,300	6,012,849
Protective services	4,241,772	4,282,900	4,058,258
Transportation services	6,698,403	6,435,700	6,479,117
Environmental services	3,621,110	3,618,600	3,499,232
Public health services	140,889	125,800	149,505
Community development services	1,109,733	1,050,500	1,053,009
Recreation and cultural services	7,532,572	7,414,000	6,353,800
Debenture interest	298,184	304,600	360,576
Property and equipment acquisition	11,751,486	25,169,600	17,390,213
Capital maintenance & other expenditures	2,818,616	-	1,377,273
	45,090,321	54,537,000	46,733,832
Annual surplus/(deficiency) before debt	**2,076,237**	(5,039,700)	**1,287,160**
Debt			
Debenture principal repayment	(775,241)	(775,100)	(835,258)
Long term payable repayment	-	-	(205,165)
Decrease in long term payable	(90,618)	-	(90,618)
Debenture proceeds	-	130,000	-
	(865,859)	(645,100)	(1,131,041)
Annual surplus/(deficiency)	**1,210,378**	(5,684,800)	**156,119**
Financial equity at beginning of year	19,538,891	19,538,891	19,382,772
Financial equity at end of year	**20,749,269**	**13,854,091**	**19,538,891**

CITY OF WHITEHORSE

Consolidated Statement of Investment In Non-Financial Assets

year ended December 31, 2006

	2006 Actual	2005 Actual
Balance at beginning of year	235,097,596	219,201,846
Contributions for property and equipment acquisition		
From operating and reserves	11,751,486	17,390,213
Contribution from operating for debt repayment	865,860	1,131,041
Reduction of property and equipment		
Cost of assets disposed	(237,800)	-
Amortization	(2,689,953)	(2,575,695)
Change in inventory	38,707	(49,809)
Balance at end of year	**244,825,896**	**235,097,596**

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE
Consolidated Statement of Reserve Funds
year ended December 31, 2006

	2006 Actual	2005 Actual
Sources of funding		
Contributions from developers and others	1,250,725	1,767,250
Transfer from operations	7,615,237	7,620,926
Income from investments	828,711	36,421
Total sources of funding	9,694,674	9,424,597
Expenditures		
Transfer to fund capital projects	5,973,754	8,858,297
Transfer to fund operations	2,338,155	999,087
Total expenditures	8,311,910	9,857,384
Net increase/(decrease) in reserve funds	**1,382,764**	**(432,787)**
Reserve fund balance at beginning of year	19,429,557	19,862,344
Reserve fund balance at end of year	**20,812,321**	**19,429,557**

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE
Consolidated Statement of Cash Flow
year ended December 31, 2006

	2006 Actual	2005 Actual
Operating transactions		
Annual surplus/(deficiency)	**1,210,378**	**156,119**
Change in operating assets and liabilities		
Accounts receivable	(8,143,040)	307,754
Grants receivable	1,438,216	(902,173)
Other financial assets	(3,506)	197,963
Accounts payable	(624,107)	361,286
Employee future benefits	186,635	(10,993)
Landfill closure liability	9,619	9,944
Deposits	78,650	(1,227,778)
Deferred revenue	(52,998)	(54,871)
Cash provided by operating transactions	(5,900,153)	(1,162,749)
Investing transactions		
(Increase)/decrease in investments	6,728,486	1,082,040
Cash provided by/(applied to) investing transactior	6,728,486	1,082,040
Increase/(decrease) in cash and cash equivalents	**828,332**	**(80,709)**
Cash and cash equivalents at beginning of year	247,044	327,753
Cash and cash equivalents at end of year	**1,075,376**	**247,044**

The accompanying notes are an integral part of these financial statements

CITY OF WHITEHORSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

1. Significant Accounting Policies

Basis of Presentation
The Financial Statements of the City of Whitehorse are prepared in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Reporting Entity
The financial statements reflect the assets, liabilities, revenues, expenditures, and changes in both fund balances and in the financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the City. There are no external organizations that currently meet the criteria of forming part of the reporting entity.

All inter-fund balances and transactions are eliminated.

Investments
Current temporary investments recorded at cost carry interest rates of between 3.26 % and 4.45 %.
In 2005 investments carried interest rates of between 2.59% and 4.00 %
Investments by type and amount are:

	2006	2005
Bankers Acceptance	$4,244,330	$7,355,074
Commercial Paper	1,494,540	9,128,241
Fixed Deposit	200,000	1,714,782
Government Bonds	5,541,270	0
Cash Equivalents	0	10,529
TOTAL	$11,480,140	$18,208,626

	2006	2005
Market Value of Investments	$11,591,968	$18,224,546

Inventory
Inventories are valued at the cost of acquisition.

Government Grants
Government grants/transfers are recognized in the period in which events giving rise to the grant/transfer occur, providing they are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

Property and Equipment
Property and equipment is recorded at historical cost. Buildings are amortized on a straight-line basis over 40 years. Machinery, Equipment & Vehicles are amortized on a straight-line basis from 3 to15 years. The amortization of engineering structures has been deferred pending the determination of the value of assets transferred from senior governments.

Costs related to property and parks and administrative studies that do not add to the value of a capital asset are not capitalized. Such costs are expensed under the caption "Capital maintenance".

Deferred Revenue

Deferred revenue includes prepaid frontage tax received from property owners. The current year's portion of the prepaid tax is calculated on a straight-line basis. Each year the current portion is recognized as revenue when the City remits its annual payment for the frontage debenture. Other prepaid revenue items are also included in this amount.

Basis of Accounting

Revenues and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Two funds are maintained for accounting purposes – general and water/sewer. All assets, liabilities, revenues and expenditures of the City are recorded in this fund. Separate Capital or reserve funds are not maintained.

2. Long Term Debt

Long-term debt is issued on the credit and security of the City of Whitehorse. It is composed of debentures payable to the Government of Yukon and a loan payable to the Royal Bank with various interest rates from 4.872% to 11.375%. Current debt load is 13.55% of the statutory limit as stipulated in the *Municipal Act, R.S.Y. 2002*.

	2006	2005
Balance as at January 1	$4,881,847	$5,717,105
Add: Borrowing	0	0
Less: Principal Repayments	(775,241)	(835,258)
	4,106,606	4,881,847
Add: Temporary borrowing	0	0
Balance as at December 31	$4,106,606	$4,881,847

Retirement requirements for the next thirteen years are as follows:

	Principal	Interest
2007	661,159	248,635
2008	616,789	202,855
2009	601,562	162,924
2010	490,019	123,990
2011	455,421	95,839
2012 - 2016	1,281,656	690,629
TOTAL	$4,106,606	$1,524,872

3. Contingent Liabilities

At December 31, 2006, contingent liabilities exist because there are legal actions pending against the City. The amount of the liability cannot be estimated at this time. The amount of any loss that may result from these claims will be recorded in the period that the amount becomes determinable.

4. Financial Instruments

The City's financial instruments consist of cash, investments, accounts receivable, grants receivable, other financial assets, accounts payable, long term debt and other long term payables. Unless otherwise noted, it is administration's opinion that the City of Whitehorse is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. Pension Liability

Currently, employees contribute to a privately managed registered retirement savings plan. The City of Whitehorse contributes bi-weekly, based on various employment agreements, and therefore has no liability.

6. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principals requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during that period.

7. Statement of Expenditure by Object

	2006	2005
Salaries, wages and benefits	$18,255,314	$16,787,356
Contracted and general services	4,127,418	4,116,736
Materials, goods, supplies and utilities	6,898,849	5,627,476
Grants to individuals and organizations	940,453	1,074,202
Interest payments on debentures	298,184	360,576
Property and equipment	14,570,103	18,767,486
TOTAL	$45,090,321	$46,733,832

8. Reserve Funds

Certain reserve funds comprise funds set aside for specific purposes by legislation, regulation or agreement and are as outlined below:

	2006	2005
Area Development Scheme Reserve	$ 39,771	$ 39,771
Cash In Lieu of Municipal Reserve	142,570	113,890
Cemetery Perpetual Care Reserve	71,496	64,283
Development Cost Charges Reserve	2,448,488	1,886,806
Landfill Closure Reserve	0	81,861
	2,702,325	2,186,611
Unrestricted Funds	18,109,996	17,242,946
TOTAL	$20,812,321	$19,429,557

9. Landfill closure and post closure liability

The City has estimated that the remaining life of its landfill is 72 years based on present annual use and incorporating medium population growth projections. The estimate of closure and post closure costs in 2004 was $10.049 million. Using a 2% annual inflation rate, closure and post closure costs were estimated at $43.5 million in 2078. Approximately 3.78% of the capacity of the landfill has been used as at December 31, 2006. A liability has been established to address future closure and reclamation of the City's landfill, the liability's present value is estimated to be $87,554.

10. Employee future benefits

The City has adopted the recommendation of PSAB in respect of post-employment benefits, compensated absences and termination benefits. Agreements with City employees provide for the accumulation of severance credits that are paid out upon resignation or retirement. The amounts are calculated based upon employee's years of service. The City records an actuarial estimate of this liability based upon the projected periods that amounts will be paid out. A discount rate of 7% is applied in the determination of present values.

STATISTICAL SECTION

CITY OF WHITEHORSE
DEMOGRAPHIC AND ECONOMIC INFORMATION
Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
Population	24,151	23,511	23,205	22,425	22,131
Unemployment Rate					
Yukon (as of December)	2.5%	4.3%	4.8%	9.7%	10.4%
Canada (as of December)	6.1%	6.5%	7.0%	7.4%	7.5%
Occupancy trends					
Dwelling Units	8,582	8,487	8,352	8,210	8,117
Median Rent	$675	$675	$660	$650	$650
Housing Starts	170	211	146	100	99
Avg. Selling Price of Homes (000)	$25.1	$22.6	$18.9	$17.1	$16.1
Vacancy Rate	2.1%	3.8%	6.1%	5.6%	7.5%
Other trends					
Res. construction value (000)	$27,999	$33,289	$28,005	$17,763	$14,760
Non-res. construction value (000)	$48,827	$13,180	$34,996	$14,331	$7,142
Business Licenses	2,040	2,354	2,334	2,373	2,386

CITY OF WHITEHORSE PERSONNEL
Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
Permanent	240	244	231	237	227
Casual/**Other	104	228	203	208	192
Total Staff	344	472	434	445	419
Increase(decrease) from previous year	-128	38	-11	26	-38

**Consists of all non-permanent employees i.e. Temporary, On Call Firefighters, Recreation Instructors, etc.

CITY OF WHITEHORSE
2006 MAJOR VENDORS

KETZA-MONAD, A JOINT VENTURE	$3,769,765.73	FILIPINA CLEANERS	$363,977.27
YUKON ELECTRICAL COMPANY	$3,631,079.49	CIMCO REFRIGERATION	$361,493.22
SKOOKUM ASPHALT LTD.	$2,880,845.87	INLAND KENWORTH	$343,153.08
NORCOPE ENTERPRISES	$2,533,638.62	RAVEN RECYCLING SOCIETY	$294,097.54
NOVA BUS	$1,695,643.84	NORTHWESTEL	$250,755.57
NORTH 60 PETRO LTD.	$1,362,370.85	ARCRITE NORTHERN LTD	$216,389.33
CASTLE ROCK ENTERPRISES	$1,019,245.28	KIRKMAN BUS SALES LTD.	$194,420.00
GREY WOLF BUILDERS	$998,549.34	LACKOWICZ SHIER & HOFFMAN	$192,298.57
QUEST ENGINEERING	$528,808.93	ADORNA FLOWERS	$191,421.65
AON REED STENHOUSE	$512,916.96	GARTNER LEE LIMITED	$182,305.09
ARCTIC BACKHOE	$375,946.24	32125 YUKON INC	$179,187.98

Sources: City of Whitehorse and the Government of Yukon Bureau of Statistics

CITY OF WHITEHORSE

ASSESSMENT AND TAXATION INFORMATION

Years ended December 31 for 2002 to 2006

Tax Rates

	Non-Residential	Residential	Agricultural
2002	1.398%	1.199%	1.118%
2003	1.398%	1.199%	1.118%
2004	1.426%	1.223%	1.140%
2005	1.455%	1.247%	1.163%
2006	1.451%	1.183%	1.003%

Taxable Assessments (000,000)

	Non-Residential	Residential	Agricultural
2002	602.1	707.3	0.5
2003	614.9	719.0	0.5
2004	624.3	734.9	0.6
2005	634.7	756.2	0.6
2006	648.9	852.2	0.7

MAJOR PROPERTY TAXPAYERS
2006 TAXATION YEAR

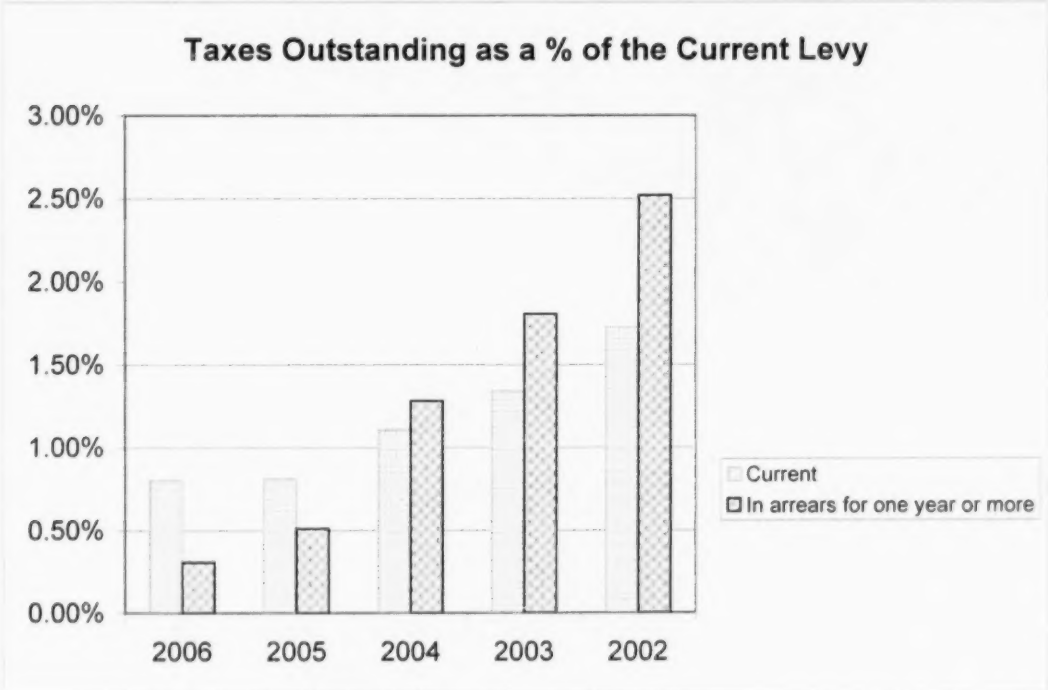
1.	Loblaws Inc.	$157,449
2.	Wal-Mart Canada Corp.	$111,761
3.	898[illegible]anada Limited	$95,064
4.	Westmark Hotels Of Canada Ltd.	$94,902
5.	Northern Vision Development	$70,715
6.	Quadra Equities Ltd.	$67,745
7.	Westmark Hotels Of Canada Ltd.	$62,504
8.	Home Hardware Stores	$61,585
9.	Canadian Tire Corporation	$57,877
10.	12963 Yukon Inc.	$54,969

CITY OF WHITEHORSE

TAX COLLECTION

Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
CURRENT TAXABLE LEVY	$15,153,034	$13,968,076	$13,299,567	$12,650,590	$12,294,746
TAXES RECEIVABLE					
Current	$121,694	$113,260	$147,089	$169,499	$212,064
In arrears for one year or more	$46,461	$71,094	$170,468	$228,441	$309,743
	$168,155	$184,354	$317,557	$397,940	$521,807
TAXES OUTSTANDING AS A % OF CURRENT TAXABLE LEVY					
Current	0.80%	0.81%	1.11%	1.34%	1.72%
In arrears for one year or more	0.31%	0.51%	1.28%	1.81%	2.52%



CITY OF WHITEHORSE

CONSOLIDATED REVENUE BY SOURCE

Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
Taxes and payments in lieu of taxes	$20,006,403	$19,353,947	$18,684,661	$18,141,968	$17,899,908
Government grants	14,328,598	16,692,698	23,753,907	7,166,060	9,563,188
Sales of goods and services	9,026,316	7,927,755	7,370,143	6,934,932	6,663,631
Licenses, permits, penalties and fines	1,479,857	1,335,159	1,417,529	1,144,327	1,223,362
Investment income	828,711	589,945	778,114	531,641	508,750
Developers Contributions	1,250,725	599,813	373,500	250,750	223,750
Other revenues	245,948	1,521,675	600,997	531,992	342,025
	$47,166,558	$48,020,992	$ 78,851	$34,701,670	$36,424,614
Interdepartmental recoveries					
TOTAL REVENUE	$47,166,558	$48,020,992	$52,978,851	$34,701,671	$36,424,614

CITY OF WHITEHORSE

CONSOLIDATED EXPENDITURE BY OBJECT**

Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
EXPENDITURE					
Human Resources	$18,255,314	$16,787,356	$15,842,774	$15,358,076	$14,869,681
Contracted and general services	4,127,418	4,116,736	4,009,292	3,643,316	3,553,438
Materials, goods, supplies and utilities	6,898,849	5,627,476	5,152,128	5,050,602	4,635,962
Grants	940,453	1,074,202	883,882	889,968	729,114
Interest payments on debentures	298,184	360,576	433,125	577,926	766,215
Capital asset acquisitions	14,570,103	18,767,486	22,764,308	8,249,281	13,569,925
TOTAL EXPENDITURE BY OBJECT	$45,090,321	$46,733,831	$49,085,508	$33,769,170	$38,124,335

** The term "object" refers to expenditure by nature or type

Certain 2002 comparative amounts have been reclassified to conform to the current year's presentation.

CITY OF WHITEHORSE

OPERATING REVENUE AND EXPENDITURE BY FUNCTION

Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
Operating Revenue					
Total Operating Revenue	$41,680,643	$40,301,834	$37,190,193	$36,197,192	$37,652,551
Operating Expenditure					
General municipal services	$5,231,143	$5,684,959	$4,523,610	$4,729,496	$6,633,584
Legislative services	$383,998	$354,292	$350,937	$329,648	$341,855
General administration	$6,016,875	$5,743,595	$5,706,574	$5,576,540	$5,894,218
Building inspection	$582,140	$490,252	$476,714	$476,755	$448,064
Fire protection	$2,899,134	$2,804,391	$2,673,808	$2,614,841	$2,412,131
Safety and emergency services	$197,009	$155,131	$160,769	$160,150	$143,263
Bylaw enforcement	$1,154,120	$1,124,816	$1,097,025	$1,002,848	$1,070,690
Transportation/Roads	$6,974,710	$6,800,413	$6,771,573	$6,367,159	$5,966,256
Public transit services	$2,107,514	$1,993,571	$1,931,698	$2,144,668	$2,228,906
Water and sewer	$5,023,860	$4,791,666	$4,702,053	$4,650,944	$4,991,381
Garbage and waste collection	$991,661	$1,114,403	$1,147,398	$1,068,489	$1,071,980
Environmental services	$138,649	$204,544	$153,794	$182,368	$185,592
Cemeteries	$167,911	$177,954	$166,692	$144,119	$133,890
Planning services	$974,481	$1,154,281	$964,194	$794,295	$768,271
Economic dev./Tourism	$767,327	$745,870	$762,253	$752,173	$727,002
Recreation administration	$563,231	$533,404	$509,722	$436,860	$476,685
Recreation facilities	$5,504,423	$4,401,934	$3,196,428	$3,079,725	$2,507,275
Recreation programs	$479,949	$489,877	$492,142	$472,250	$409,226
Parks and playgrounds	$1,219,160	$1,223,432	$1,087,143	$938,504	$948,649
Recreation and cultural grants	$258,195	$224,836	$254,850	$254,981	$257,525
Total Operating Expenditure	$41,635,490	$40,213,621	$37,129,377	$36,176,813	$37,616,443
OPERATING SURPLUS	$45,153	$88,213	$60,816	$20,379	$36,108

Certain 2002 comparative amounts have been reclassified to conform to the current year's presentation.

CITY OF WHITEHORSE

CAPITAL EXPENDITURES

Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
Expenditure Components:					
Public Works	$6,579,380	$3,920,717	$1,768,369	$1,770,079	$1,659,060
Public Utilities	1,748,945	695,659	525,276	642,924	994,659
Building Projects	1,844,084	12,332,237	18,922,633	2,013,950	5,411,687
Vehicles and Equipment	2,955,071	2,525,842	1,490,427	1,335,076	1,952,128
Administrative Studies	297,580	217,848	97,646	71,145	208,703
Property/Park Development	1,314,726	478,412	304,428	2,145,395	630,625
	$14,739,786	$20,170,715	$23,108,779	$7,978,570	$10,856,862
Sources of Funding					
Government of Canada Grants	$5,324,904	$7,729,699	$9,975,894	$ 1,692,000	$ 45,575
Government of Yukon Grants	60,193	6,647,211	10,681,213	1,965,099	5,078,662
Transfers from Reserves					
Area Development Scheme		50,553	8,608	(11,541)	(35,350)
Building Replacement	5,840		56,430		
Capital Reserve	2,244,079				
Community Complex		250,000			
Computer Equipment		62,848	40,392		
Development Cost Charges	31,859	377,500	333,335	483,495	88,113
Environmental Protection	47,335	87,603	5,700	23,500	51,734
Equipment	252,081	1,474,855	355,236	459,567	615,840
General Fund	1,105,120	781,932	701,432	612,793	879,536
Land Bank	93	186,342			
Multiplex			38,769	112,806	3,132,045
Parking Development	118,589	47,609			
Recreation Facilities		1,575,000			63,645
Tire Disposal				32,877	42,416
Transit Equipment	1,793,560		10,000		(341)
Water and Sewer Replacement	1,429,747	404,234	475,421	560,733	465,030
Waterfront Development		226,706	171,551	14,700	335,832
Total Transfers from Reserves	$7,028,303	$5,525,181	$2,196,874	$2,288,930	$5,638,500
Debentures				25,152	(15,166)
Loans				2,000,000	
Other Contributions	2,326,386	268,624	254,798	7,389	109,291
Total Funding	14,739,786	20,170,715	$23,108,779	$ 7,978,570	$10,856,862

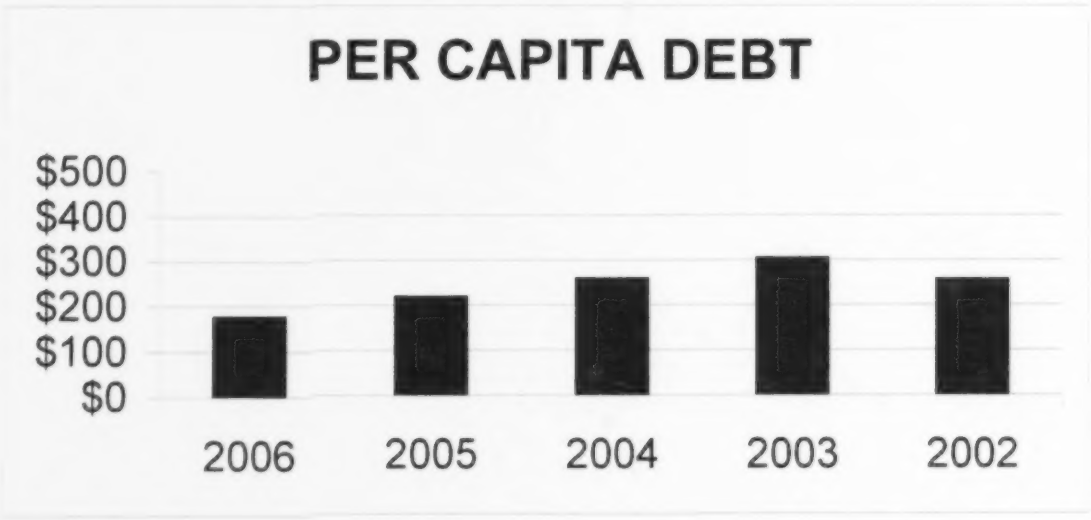
CITY OF WHITEHORSE

ANALYSIS OF DEBT

Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
Total Assessed Value	$1,501,898,650	$1,391,551,820	$1,359,199,820	$1,334,301,280	$1,309,809,530
**Allowable Debt Limit	$45,056,960	$41,746,555	$40,775,995	$40,029,038	$39,294,286
Total Debt Outstanding -Beginning of Year	$4,881,847	$5,717,105	$6,848,955	$5,802,444	$0
Add:					
Borrowed Funds	0	0	0	2,000,000	0
Less:					
Principal Repayments	(775,241)	(835 258)	(1,131,850)	(953,489)	(1,187,996)
Detailed Total Debt Outstanding -End of Year					
General Municipal	$2,989,442	$3,503,934	$4,079,478	$4,823,000	$3,553,070
Water and Sewer	$1,117,165	$1,377,913	$1,637,627	$2,025,955	$2,249,374
	$4,106,607	$4,881,847	$5,717,105	$6,848,955	$5,802,444
Gross Debt Servicing Costs	$1,073,425	$1,195,834	$1,590,127	$1,531,415	$1,937,045
Gross Debt Servicing Costs as a Percentage of Total Operating Expenditures	2.6%	3.2%	4.4%	4.1%	5.3%

***The total principal amount of debt that a municipality may owe at any time shall not exceed three percent of the current assessed value of all real property within the municipality that is subject to property taxes or payments in lieu of taxes, as per the Municipal Act, R.S.Y. 2002, c. 154.*



CITY OF WHITEHORSE

RESERVES ANALYSIS

Years ended December 31 for 2002 to 2006

	2006	2005	2004	2003	2002
Anniversaries	$ -	$ -	$ -	$ -	$ -
Area Development Scheme	39,771	39,771	90,324	98,932	87,391
Building Replacement	1,027,049	1,132,889	795,515	877,097	877,097
Capital	5,084,263	4,774,039	4,049,755	3,120,210	2,095,296
Cash In Lieu of Municipal	142,570	113,890	88,269	62,667	60,067
Cemetery Perpetual Care	71,496	64,283	57,179	53,190	45,452
Community Complex	0	0	250,000	250,000	250,000
Computer Equipment	246,752	188,252	246,872	233,593	181,947
Contingency	588,440	573,700	380,063	420,766	567,366
Development Cost Charges	2,448,488	1,886,806	1,543,685	1,263,485	1,315,052
Encumbrance	-	-	-	-	706,974
Environmental Protection	122,487	89,165	392,471	366,965	354,002
Equipment	1,254,355	665,295	1,195,175	966,422	833,287
Gas Tax Reserve	918,750	-	-	-	-
General Fund	1,347,831	1,607,668	1,125,380	753,392	395,272
Land Bank	1,745,004	1,745,097	637,474	637,474	637,474
Landfill Closure	-	81,861	177,649	172,800	86,400
Multiplex	-	-	-	38,770	151,576
Parking Development	986,471	995,125	1,884,617	1,755,960	1,625,679
Recreation Facilities	156,547	11,547	1,441,546	1,296,546	806,023
Recreation Grant	1,071	12,941	34,250	36,050	6,900
Sister Cities	5,000	5,000	5,000	5,000	5,000
Snow and Ice Control	70,301	70,301	188,286	-	-
Tire Disposal	41,159	39,689	38,819	37,679	42,780
Transit Equipment	316,221	706,967	572,827	448,687	314,547
Water and Sewer Replacement	4,198,293	4,625,271	4,096,477	3,707,952	3,606,136
Waterfront Development	-	-	226,707	398,258	228,896
Working Capital	-	-	344,004	396,290	396,290
TOTAL RESERVES	**$20,812,319**	**$19,429,557**	**$19,862,344**	**$17,398,185**	**$15,676,904**

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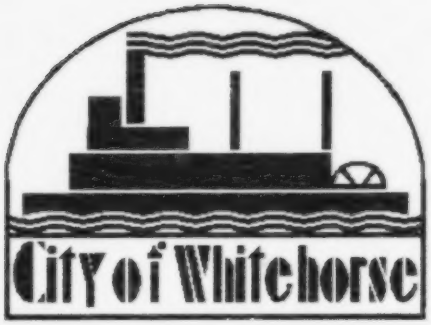

Mission Statement

We provide leadership as one of Canada's best local Governments that enables Whitehorse to be an exceptional Community to live, work, and play

Corporate Values

We value:

- CITIZEN INVOLVEMENT
- CREATIVITY
- FISCAL RESPONSIBILITY
- DECISION PROCESS TRANSPARENCY
- INTEGRITY
- PARTNERSHIP
- RESPECT
- SINCERITY